

HOUSE FINANCE COMMITTEE
March 26, 2010
9:51 a.m.

9:51:41 AM

CALL TO ORDER

Co-Chair Hawker called the House Finance Committee meeting to order at 9:51 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Vice-Chair
Representative Allan Austerman
Representative Mike Doogan
Representative Anna Fairclough
Representative Neal Foster
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Woodie Salmon

MEMBERS ABSENT

None

ALSO PRESENT

Miles Baker, Staff, Senator Bert Stedman; Representative Mike Chenault.

PRESENT VIA TELECONFERENCE

Marian Elliott, Fairview Safety Committee, Mat-Su.

SUMMARY

HB 326 SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

CSHB 326(FIN) was REPORTED out of Committee with a "do pass" recommendation.

#hb326

HOUSE BILL NO. 326

"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

[9:51:53 AM](#)

Co-Chair Hawker summarized previous action on the measure.

Co-Chair Stoltze MOVED to ADOPT Work Draft 26-GH2827\p, Kane, 3/25/10, as a working document before the committee. There being NO OBJECTION, it was so ordered.

Co-Chair Hawker summarized documents explaining the bill. He reported that the total increment for the supplemental budget for all funds was approximately \$158 million and that the general funds portion consisted of a little over \$100 million. He listed items in the general funds amount:

- \$5 million: funds capitalization for the state-wide disaster relief fund
- \$35 million: fire suppression
- \$36 million: Medicaid entitlement
- \$17 million: Department of Corrections arbitration award settlements and fuel

Co-Chair Hawker emphasized that the amount remaining was fairly small. He stated that he and other members remained concerned that a number of items continue to be problematic, especially agencies spending in a discretionary manner and ask for funding afterwards. He wanted supplemental budgets to reflect unanticipated and non-discretionary spending.

[9:56:36 AM](#)

Co-Chair Hawker explained differences in the new CS, listing items that had been added back:

- Department of Health and Social Services: IT support services
- Department of Natural Resources: pipeline coordinator's office

- Department of Revenue: Permanent Fund division transition to paperless systems
- Department of Transportation and Public Facilities: to implement standards being imposed by the federal Environmental Protection Agency (EPA)

Co-Chair Hawker stated concerns regarding excessive unfunded federal mandates.

Representative Kelly concurred. He emphasized concerns about the EPA street-sweeping requirement.

Co-Chair Stoltze shared disdain for federal mandates and acknowledged the seriousness of the situation.

Co-Chair Hawker agreed.

[10:00:48 AM](#)

Co-Chair Hawker listed other elements finalized in the CS:

- Judgment and claims number up \$35,000 by the Department of Law
- Provision of a "bucket" for the Cook Inlet reclamation bond funding; the interest earnings appropriated to the Department of Natural Resources for the bond
- Reappropriation of the Alaska Marine Highway System excess fuel account in order to restore Aleutian Island service
- Intent language regarding future arbitration decisions

Co-Chair Hawker acknowledged the hard work of staff on the supplemental budget.

[10:05:23 AM](#)

Co-Chair Hawker noted that nothing was appropriated for the Carlson case, which is still under appeal. He remarked that there would be continuing bargaining unit settlements; the Office of Budget and Management had two settlements that would be dealt with in two amendments. He stated that due to committee concerns, a third amendment would remove the World Trade Center appropriation.

Representative Gara appreciated the additional information regarding supplemental items that had been questioned. He

pointed out that \$1.5 billion of the supplemental was to forward fund education and to pay back the Constitutional Budget Reserve (CBR).

Co-Chair Hawker MOVED to ADOPT Amendment 1:

DEPARTMENT: Administration
APPROP: Centralized Administrative Services
ALLOCATION: Office of the Commissioner
ADD: \$12.8 General Funds (1004)

EXPLANATION:

The sum of \$12,770 is appropriated from the general fund to the Department of Administration, office of the commissioner, as a lump sum payment to the union directed health trust, to implement the terms of the collective bargaining agreement for the Teacher's Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2010.

Last week the State reached an agreement with the Teachers' Education Association of Mt. Edgecumbe (TEAME). The TEAME agreement covers FY10-FY12.

Since the TEAME agreement is retroactive to the beginning of FY10, a supplemental is requested for \$12,770 General Funds for the Department of Administration, office of the commissioner, to pay the agreed upon FY10 insurance costs to the NEA Health Trust.

Co-Chair Stoltze OBJECTED.

Co-Chair Hawker explained the amendment.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment 1 was ADOPTED.

Co-Chair Hawker MOVED to ADOPT Amendment 2:

DEPARTMENT: Statewide
ADD: \$3,668,400
FUNDING SOURCE: Multiple fund sources per change records submitted electronically to the legislative Finance Division and as detailed on the attachment.
ADD Conditional Language:
The appropriations made in this section are contingent on ratifications of the collective bargaining

agreement by the membership of the Public Employees Local 71, for the labor, trades and crafts unit.

EXPLANATION:

The Labor, Trades, and Crafts bargaining unit has reached a tentative agreement with the state for fiscal years FY2010-FY2012.

In FY2010 there is a lump sum payment for bargaining unit members ranging from \$903 to \$2,066, depending on the wage grade of the employee. Bargaining unit members who are seasonal or part time employees will have the lump sum payment reduced to 50%.

There is a lump sum payment to the LTC Health Trust to cover the FY2010 state's contribution for health insurance, which increased from \$870 to \$913 per employee per month.

Co-Chair Stoltze OBJECTED.

Co-Chair Hawker explained.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment 2 was ADOPTED.

[10:09:32 AM](#)

Co-Chair Hawker MOVED to ADOPT Amendment 3:

Page 10, Lines 6-10: Delete all material
EXPLANATION: Grant to World Trade Center Alaska
deleted from Supplemental Operating Budget.

Co-Chair Stoltze OBJECTED.

Co-Chair Hawker explained that the amendment deletes authorization for \$250,000 for state participation in the World Trade Exposition in China.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment 3 was ADOPTED.

[10:10:45 AM](#)

Co-Chair Hawker opened public testimony.

MARIAN ELLIOTT, FAIRVIEW SAFETY COMMITTEE, MAT-SU (via teleconference), requested inclusion of a pedestrian pathway in a Fairview project.

Co-Chair Hawker explained that the item was for capital improvements and that the capital budget was forthcoming in the Senate Finance Committee.

MILES BAKER, STAFF, SENATE FINANCE COMMITTEE provided dates.

Co-Chair Stoltze stated that he did not oppose safety improvements and that he was working with the Senate Finance Committee regarding the item.

[10:14:38 AM](#)

Co-Chair Hawker pointed out that the supplemental budget was a historic document because of repayment into the CBR. He noted the amount for education forward funding.

[10:17:48 AM](#)

Co-Chair Stoltze MOVED to report CSHB 326(FIN) as amended out of Committee with individual recommendations. There being NO OBJECTION, it was so ordered.

CSHB 326(FIN) was REPORTED out of Committee with a "do pass" recommendation.

#

ADJOURNMENT

The meeting was adjourned at 10:19 AM.